



# INTERNATIONAL EGG AND POULTRY REVIEW

ISSN 1522-5100



U. S. Department of Agriculture

Agricultural Marketing Service

Poultry Programs

Market News Branch

## Russia Lifts Ban on Meat from Brazil

Russia lifted the ban on Brazilian beef, pork and poultry exports on June 30, 2004. The ban had been imposed following reports of foot and mouth disease in the northern state of Para, Brazil. The affected farm is on the left bank of the Amazon River, where there are few roads and access is difficult. Movements are mainly by waterway. Para does not export beef to Russia, however the State of Parana, located in the southern part of Brazil does export meat to Russia. There may have been some confusion over the similarity of the names.

Russia maintained the ban on imports of animal products (including fish, milk and dairy products and animal feed) from Para, as well as the state of Matu-Grossu, which has seven meat plants which export goods to Brazil.

Source: Press Release Deputy Chief State Veterinary Inspector Russian Federation, OIE, various news wires

## Update on Avian Influenza in Asia

Thailand reported a case of avian influenza virus on July 3, 2004 in a flock of 26,000 layers. Highly Pathogenic avian influenza (HPAI) type A (H5) is suspected as the causal agent. The layers were mixed age (34-38 week and 74-78 week) raised in ventilated houses over fish ponds. Thailand had attempted to declare the country free of the disease in May, however an isolated outbreak was detected in a northern province at a university training farm on May 24. The latest case is located in a central province.

In Vietnam a flock of 5,000 birds tested positive for virus subtype H5. Vietnam's Ministry of Veterinary Department said more tests were being made to determine if the N1type is involved. Vietnam had declared an end to the HPAI outbreak in late March 2004.

China reported a new case of avian influenza. Migratory birds were blamed for the new outbreak. All poultry within a 3 kilometer radius were slaughtered and poultry within a 5 kilometer radius was vaccinated. China had declared itself free of the disease almost four months earlier.

Source: OIE, various news wires

## European Trade Sanctions Against the U.S.

On June 17, 2004 the U.S. House of Representatives passed a corporate tax reform that would repeal the Foreign Sales Corporations (FSCs) tax break. The FSC would be replaced with 155 billion dollars in corporate tax cuts over the next decade. The Senate had passed similar legislation the previous month.

The EU first brought suit before a WTO panel in 1997 and on October 8, 1999 the WTO found that the FSC was an illegal subsidy and violated provisions of the Agreement on Agriculture and the Agreement on Subsidies and Countervailing Measures (SCM Agreement). The U.S. repealed the FSC rules and enacted a new regime under the FSC Repeal and Extraterritorial Income Exclusion Act of 2000.

The EU immediately challenged the ETI regime and in January 2002 a WTO Appellate Body held that the ETI regime was also a prohibited export subsidy. In May, 2003 the WTO endorsed the EU request for countermeasures at about US\$4 billion, a level about equal to the estimated annual U.S. subsidy. The EU gave the U.S. a time limit to repeal FSC/ETI and sanctions did not begin until March 1, 2004.

The EU was authorized to levy tariffs as high as 100% on U.S. products, however only an additional customs duty of 5% was placed in effect on March 1, 2004. The duty will automatically increase 1% up to a ceiling of 17% to be reached on March 1, 2005. The customs duty would be lifted after the FSC was repealed.

Some egg products and prepared turkey are included among the 1,600 items listed with punitive customs duties; Egg yolks (04081180) and Birds' eggs, not in shell (04089180) and Prepared or preserved meat or meat offal of turkeys (16023119).

Sources: World Trade Organization, Official Journal of the European Communities, USDA/FAS, European Union News Release, news wires

## US Exports of Egg Products\* in metric tons and '000 dollars

	<u>January - December</u>										<u>January-April</u>			
	1999		2000		2001		2002		2003		2003		2004	
	MT	Val	MT	Val	MT	Val	MT	Val	MT	Val	MT	Val	MT	Val
<b>EU-25</b>	663	1,652	1,628	3,695	3,311	5,048	4,550	6,096	2,096	2,990	1,598	2,123	577	1,541
<b>Canada</b>	6,677	8,065	3,961	5,359	6,205	7,217	7,982	8,403	10,717	11,302	1,856	1,735	1,706	2,392
<b>Japan</b>	13,943	31,786	14,499	31,265	10,553	24,817	8,222	20,252	7,039	18,163	3,617	9,393	1,503	3,585
<b>World</b>	25,612	50,077	25,061	50,494	25,826	48,738	25,761	44,711	24,738	43,149	8,591	16,588	5,148	10,399

\*HS codes 040819, 040891, 040899, 040811, 350211, 350219

Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

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**Inspected Egg Products-U.S. & Canada Export/Import Trade****U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending June 26, 2004	2004	2003 /1	Year-To-Date 2004 /2	2003
Type				
Liquid	260	507	5,204	7,768
Frozen	0	0	11	63
Dried	0	0	345	256
Total	260	507	5,560	8,087

**U.S. Imports From Canada, in Pounds (000) (Preliminary)**

Week Ending June 26, 2004	2004	2003 /1	Year-To-Date 2004 /2	2003
Type				
Liquid	67	64	2,896	2,651
Frozen	3	12	853	1,467
Dried	84	40	1,449	760
Total	154	116	5,198	4,878

**Inspected Shell Eggs****U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending June 26, 2004	2004	2003 /1	Year-To-Date 2004 /2	2003
Type				
Jumbo	0	15	195	241
Extra Large	0	869	40,975	10,597
Large	750	2,697	85,377	46,326
Medium	0	1,680	35,696	29,152
Ungraded	0	6,600	149,754	40,086
Misc	0	0	13,944	3,432
Total	750	11,861	325,941	129,834

/1 Comparable Week, to-date figures may not total due to rounding.

/2 Includes revisions to previous week(s).

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

**CENTRAL REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

02-JUL-2004

**CHICKEN**— PRICES ——— VOLUME ———  
(Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

**CHICKEN, WITH SKIN ADDED**— PRICES ——— VOLUME ———  
(Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	18.00	122,400	-
WTD AVERAGE		18.00		
15-20%				
RANGE	13.75-19.00	12.00-18.00	3,270,800	1,618,400
WTD AVERAGE	15.74	14.57		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

\* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

**LIVE POULTRY SLTRD UNDER INSPECTION** W/E 26-Jun-04

(PRELIMINARY)

**U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,456	1,449	2,905
LAST WEEK	1,551	1,441	2,992
SAME WEEK YR AGO	1,474	1,544	3,018
TO-DATE/2004	33,245	32,412	65,657
TO-DATE/2003	41,689	34,185	75,874

**U.S. FOWL SLAUGHTERED IN CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	253	0	253
LAST WEEK	150	3	153
SAME WEEK YR AGO	121	0	121
TO-DATE/2004	6,082	72	6,154
TO-DATE/2003	6,412	96	6,508

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

**TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,709	1,449	3,158
LAST WEEK	1,701	1,444	3,145
SAME WEEK YR AGO	1,595	1,544	3,139
TO-DATE/2004	39,327	32,484	71,811
TO-DATE/2003	48,101	34,281	82,382

SOURCE: USDA/AMS Poultry Programs, Market News Branch

**EASTERN REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

02-JUL-2004

**CHICKEN**— PRICES ——— VOLUME ———  
(Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

**CHICKEN WITH SKIN ADDED**— PRICES ——— VOLUME ———  
(Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	16.50	18.00-20.00	913,000	572,000
WTD AVERAGE	16.50	19.88		
15-20%				
RANGE	15.00-21.50	14.00-18.00	2,480,800	1,340,000
WTD AVERAGE	18.19	16.72		
20% OR MORE				
RANGE	-	14.00	120,000	-
WTD AVERAGE		14.00		

\* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

**NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 02 JULY 2004.**

The market was very active into export channels with activity centered on 30+ loads of fresh tom drums at 31-33 mostly 31 cents delivered during the month of July and on a heavy volume of Grade A fresh hocklock AI tested 10-16 lb. WOGs at 79 delivered August, 80 delivered September and 81 cents delivered October. Export trading was slow to moderater on the balance of items. Domestic demand was light to fair with trading centered on fresh -20% mechanically separated turkey at steady to lower trending prices and on fresh tom breast meat at fully steady price levels. For domestic (fresh): scapula 104-108, breast trim 115-121 mostly 117 cents delivered. Fresh thigh meat traded at 72-78 cents delivered export.

**FRIDAY, JULY 02, 2004****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	32.00-32.50		32.25	80	31.83	360
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		R	33.00	52	35.09	172
MECHANICALLY SEPARATED 2/	17.00-20.00		17.61	392	17.74	432
THIGH MEAT - FROZEN	64.00-70.00		65.14	280	63.88	2,288

**THURSDAY, JULY 01, 2004****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	32.00		32.00	80
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS	33.00	M	33.00	52
MECHANICALLY SEPARATED 2/			19.00	40
THIGH MEAT - FROZEN	60.00-65.00		63.87	912

**WEDNESDAY, JUNE 30, 2004****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	32.00		32.00	40
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS			36.00	120
MECHANICALLY SEPARATED 2/		M	19.00	40
THIGH MEAT - FROZEN	62.00	M	62.00	260

**TUESDAY, JUNE 29, 2004****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	31.50		31.50	1600
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		M	36.00	120
MECHANICALLY SEPARATED 2/		M	19.00	40
THIGH MEAT - FROZEN	62.00-75.00		66.36	420

**MONDAY, JUNE 28, 2004****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	31.06	1,384
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS	36.00		36.00	120
MECHANICALLY SEPARATED 2/	19.00		19.00	40
THIGH MEAT - FROZEN	61.00-62.00		61.75	416

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

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